REMARKS

On an initial note, Applicants wish to thank the Examiner(s) for the courtesies extended to Applicants' representative during the personal interview conducted on July 17, 2007, which included a review of independent Claims 1, 8, and 13, and a review of the cited Rosenstein and Leet references. An agreement was reached regarding allowance of the application.

Claims 1-20 are pending. Claims 1-20 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Rosenstein (Changing Position Behavior Is a Tool to Reduce Health Care Costs) [1] in view of Leet (U.S. Patent No. 6,000,828). Claims 1, 8, and 13 have been amended in accordance with the agreement, without prejudice, solely in order to expedite allowance of the application, and not to overcome any references of record, and that no new matter has been added. Claims 9 and 14 have also been amended, without prejudice, including the doctrine of equivalents, to correct scriber's errors. The specification has also been amended to make minor corrections to various scriber's errors. The drawings, FIGS. 2A, 3, and 5, have been amended to add indicators referenced in the specification, with FIG. 2A also being amended to correct a continuation arrow direction. A redline copy illustrating the changes is attached herewith. Applicants further submit herewith as Attachment 1, a Declaration of Richard Fiscella presented during the July 17, 2007 interview. Further, attached hereto is a request for a one-month extension. The Commissioner is authorized to charge any required fee, including the $60 one month extension fee, or provide any refund, to the deposit account of Bracewell & Giuliani LLP, Deposit Account No. 500259 (Attorney Docket No. 044258.002).

Claims 1-20 are Nonobvious; No prima facie case.

The Examiner rejected Claims 1-20 under 35 U.S.C. § 103(a) as being unpatentable over Rosenstein (Changing Position Behavior Is a Tool to Reduce Health Care Costs) in view of Leet (U.S. Patent No. 6,000,828). Although the Applicants respectfully disagree, Applicants have made amendments to the claims, without prejudice, in accordance with an agreement reached at

[1] Please note, as a reminder Applicants previously had difficulty understanding the Examiner's numbering scheme with respect to Rosenstein presented in the Non-Final Office Action dated 09/12/2006. As such, Applicants previously submitted, along with the response to the Non-Final Office Action, a 5-page long copy of the Rosenstein reference including by-page paragraph numbering. Applicants refer to such attached copy in the following discussion as "Rosenstein" and the 3-page long version originally cited by the Examiner as "Rosenstein (E)."

the interview on July 17, 2007, solely in order to expedite allowance of the application. Accordingly, as described in more detail below, the amendments were unnecessary to overcome the cited references, but were nevertheless made merely in order to expedite allowance of the application.

"To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must...not [be] based on applicant's disclosure." *In re Vaeck,* 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991); *see also* MPEP 706.02(j).

Irrespective of the fact that it is Applicants contention that there was no recognition of the source of Applicants' problems by either of the cited references, that there would be would be no motivation to combine references or modify reference teachings, that there would not be a likelihood of success without undue experimentation if attempted without the benefit of Applicants disclosure, and there exists secondary consideration that would tend to lead one to conclude the claimed embodiments to be nonobvious (see Attachment 1 (Rule 1.132 declaration by Richard Fiscella), paras. 5b-5d and 5f-5h), neither Rosenstein nor Leet set forth each and every element featured in either of the independent Claims 1, 8, and 13, as required for a showing of a *prima facie* case of obviousness.

The Examiner had taken the position that Rosenstein in view of Leet shows all of the elements. Applicants respectfully submit that this simply is not the case. First, citing Rosenstein, page 1, para. 1, the Examiner premises that Rosenstein teaches "a method of collecting fees for managing and optimizing the profitability of a plurality of physicians in a healthcare practice participating in an insurance network" (Claim 1). The Examiner also premises that Rosenstein teaches "a method of collecting fees for managing a plurality of physicians in a healthcare practice participating in an insurance network" (Claim 8); and "a method of collecting fees for managing and optimizing the profitability of an insurance network having a plurality of physicians in a healthcare practice participating therein" (Claim 13).

Applicants have been unable to find any reference to a method of *collecting fees* or optimizing the profitability of a plurality of physicians in a *Healthcare Practice participating in an insurance network.* Rather, Rosenstein is directed to various strategies that administrators in a closed, in-patient (hospital) system will be looking at to reduce health care costs. *See* Rosenstein, page 1, para. 1, and page 4, para. 5.

More particularly, regarding independent Claims 1, 8, and 13, Rosenstein or Leet, alone or in combination, do not disclose, teach, or suggest "establishing a relationships between a *Healthcare Consultation Group* and [a] healthcare practice participating in [an] insurance network...," as premised by the Examiner (citing Rosenstein (E) page 1, paras. 6-8). Applicants were unable to locate any mention in Rosenstein of either a "Healthcare Consulting Group" or working with any outside entity to make changes; but only the "routes hospitals may pursue" and the "incentives [hospital] administrators may encounter." *See* Rosenstein, page 2, para. 3. Nor does Rosenstein or Leet, alone or in combination, disclose, teach, or suggest "determining whether the ancillary medical costs of the plurality of physicians in the healthcare practice have reached a predetermined level within a preselected period of time," as featured in Claims 1, 8, and 13, as amended. Nor does Rosenstein or Leet, alone or in combination, disclose, teach, or suggest "funding an incentive pool," as featured in Claims 1 and 8; or "paying funds from the funded incentive pool..." or "establishing a plan to pay funds from the funded incentive pool...," as featured in Claims 1 and 8, respectively. Although the Examiner cites for the first time Leet, col. 13, lines 6-42 and col. 14, lines 47-42, in the Final Office Action, page 4, para. (A)(viii) and page 7, para. (I) of paper No. 20070331, as disclosing "an 'incentive pool'" (funding an incentive pool) and "'funding' mechanisms" ("paying funds" or "establishing a plan to pay funds," "from the funded incentive pool..., "), Applicants were unable to locate any mention in either Leet or Rosenstein of either of these features. There is apparently no mention of "funding an incentive pool" nor either "paying funds" or "establishing a plan to pay funds" therefrom. As such, these elements are missing and are not disclosed, taught, or suggested by the combined teachings of Rosenstein and Leet.

Nor does Rosenstein or Leet, alone or in combination, disclose, teach, or suggest "gathering data in a tangible computer medium from each of a plurality of physicians in the Healthcare Practice participating in the insurance network including ancillary medical costs

respective to the physicians," or "modifying behavior of at least one of the plurality of physicians in the healthcare practice for management of the ancillary medical costs responsive to the data gathered in the tangible computer medium," as featured in Claims 1, 8, and 13. Although the Examiner cited Rosenstein (E), page 1, paras. 6-10, as disclosing "gathering data in [a] tangible computer medium...," Applicants were unable to locate any mention in Rosenstein of such feature. There is simply no mention of using a computer to "gather" or aggregate ancillary medical cost data on physicians or physician groups. The Examiner further cited Leet, col. 15, lines 11-28, as disclosing modifying the physician behavior "responsive to the data gathered [regarding physician management of ancillary medical costs]." Applicants respectfully wish to point out that the teachings of estimating the cost of treating a patient with a given drug or combination of drugs (Leet, col. 15, lines 11-28) or displaying comparative costs (Leet, col. 3, lines 11-28), as set forth by the Examiner as being taught by Leet, would be obtained by *gathering patient-* and *disease*-specific data, i.e., changing medical information, side effects encountered, and patterns of disease resistance, and success of those treatments (col. 3, lines 10-40, and Fig. 2); and therefore, is not a teaching with respect to modifying such behavior responsive to *gathering data* from (on) the *physicians* in the healthcare practice participating in the insurance network.

Further, neither Rosenstein nor Leet, alone or in combination, disclose, teach, or suggest "distributing predetermined percentages of savings attributed to the modifying behavior of the plurality of physicians ancillary medical cost management if the ancillary medical costs of the plurality of physicians in the healthcare practice have decreased to the preselected level over the preselected period of time," as featured in Claim 1, doing so "if the ancillary medical costs have decreased to the preselected level over the preselected period of time," as featured in Claim 8, or doing so "to at least one of the insurance network and the healthcare management consultation group when the ancillary medical costs decrease to a preselected level over a preselected period of time," as featured in Claim 13. Although the Examiner cites Rosenstein (E), page 2, paras. 4-10; page 3, paras. 4-9; and page 3, paras. 4-9, respectively, as "distributing predetermined percentages of savings attributed to the modifying behavior of the plurality of physicians...," Applicants were unable to locate either feature variation in Rosenstein. Rosenstein does not

disclose a measurement system for "savings" through cost-effective care, or "predetermined percentages" for distribution.

Accordingly, as a prima facie case of obviousness had not been shown for the independent claims, Claims 1, 8, and 13, including a lack of motivation combine reference teachings and the above described missing elements, independent Claims 1, 8, and 13 have been shown to be nonobvious and define over the cited documents. Claims 2-7 (dependent upon Claim 1), Claims 9-12 (dependent upon Claim 8), and Claims 14-20 (dependent upon Claim 13) have also been shown to be nonobvious and define over the cited documents. The dependent Claims 2-7, 9-12, and 14-20, individually further have independent novelty and are nonobvious, as well, for reasons as described in the prior Office Action Response and as perhaps best shown in Attachment 1, paras. 5e4-5e15.

In commenting upon the references and in order to facilitate a better understanding of the differences that are expressed in the claims, certain details of distinction between the references and the present invention have been mentioned, even though such differences do not appear in all of the claims. It is not intended by mentioning any such unclaimed distinctions or making any amendments herein to create any implied limitations in the claims. Not all of the distinctions between the cited patent documents and the claimed embodiments of Applicants' invention have been made by Applicants. For the foregoing reasons, Applicants reserve the right to submit additional evidence showing the distinctions between Applicants' invention to be novel and nonobvious in view of the cited patent documents.

The foregoing remarks are intended to assist the Examiner in re-examining the application and in the course of explanation may employ shortened or more specific or variant descriptions of some of the claim language. Such descriptions are not intended to limit the scope of the claims; the actual claim language should be considered in each case. Furthermore, the remarks are not to be considered to be exhaustive of the facets of the invention that render it patentable, being only examples of certain advantageous features and differences.

CONCLUSION

In view of the above remarks and the agreement reached with the Examiner, Applicants submit that the claimed invention is in condition for allowance. As such, the issuance of a Notice of Allowance is respectfully requested.

Respectfully submitted,

Date: 8-7-07

Jeffrey Whittle, Reg. No. 36,382
BRACEWELL & GIULIANI LLP
P.O. Box 61389
Houston, Texas 77208-1389
Telephone: (713) 221-1185
Facsimile: (713) 221-2141

2095844.1